

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 264

Introduced by Assembly Member Mullin
(Coauthor: Senator Speier)

February 4, 2003

~~An act to amend Sections 31496.3 and 31625.2 of, and to add Section 31497.1 to, the Government Code, relating to county employees' retirement.~~ An act to *add and repeal Section 17462.5 of the Education Code, relating to public schools.*

LEGISLATIVE COUNSEL'S DIGEST

AB 264, as amended, Mullin. ~~County employees' retirement: San Mateo County~~ *Surplus school property: use of proceeds.*

Existing law requires that the funds from the sale of surplus school real property be used for capital outlay or for costs of maintenance of prescribed school district property. Existing law permits a school district to deposit proceeds from a lease of school district property with an option to purchase in its general fund for use for any general fund purpose if approved by the State Allocation Board if certain conditions are met.

This bill would, notwithstanding contrary provisions of law, authorize a school district to deposit up to 25% of the proceeds of the sale of surplus school real property into the school district general fund for use for any purpose of the school district if prescribed conditions are met, and would preclude such a transfer from disqualifying the school district for prescribed state facilities funding. The bill would define

“sale,” for this purpose, to include a lease of surplus property with an option to purchase.

(1) ~~The County Employees Retirement Law of 1937 establishes an alternative retirement plan, known as Retirement Plan 3, for employees of the retirement system in San Mateo County and provides that a member of that plan, whose employment is terminated and who is subsequently reemployed, may receive service credit for that prior service only if he or she is reemployed within 2 years.~~

~~Under this bill, a member of that plan would receive service credit for that prior service irrespective of the time of reemployment.~~

(2) ~~Under the County Employees Retirement Law of 1937, members of the retirement system in San Bernardino County with 30 years’ of continuous service are exempt from salary deductions for contributions to the retirement system.~~

~~This bill would also exempt members of the retirement system in San Mateo County with 30 years’ of continuous service from those deductions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~—yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 31496.3 of the Government Code~~

2 *SECTION 1. Section 17462.5 is added to the Education Code,*
3 *to read:*

4 *17462.5. (a) Notwithstanding any other provision of law to*
5 *the contrary, including, but not limited to, Section 17462, a school*
6 *district may deposit an amount not to exceed 25 percent of the*
7 *proceeds of the sale of surplus school real property, excluding any*
8 *interest earned thereon, into the school district general fund and*
9 *may use those proceeds for any purpose of the school district if all*
10 *of the following criteria are met:*

11 *(1) The school district has an enrollment of fewer than 11,000*
12 *pupils.*

13 *(2) The school district has experienced declining enrollment*
14 *for each school year from 1999–2000 to 2002–03, inclusive.*

15 *(3) The proceeds are from the sale of school district real*
16 *property that occurred between July 1, 1997, and June 30, 2000,*
17 *inclusive.*

1 (b) Deposit of proceeds in the school district general fund
2 pursuant to this section does not disqualify the school district from
3 eligibility for state funding under the Leroy F. Greene School
4 Facilities Act of 1998 (Chapter 12.5 (commencing with Section
5 17070.10)) or under Section 17584.

6 (c) For the purposes of this section “sale” includes, but is not
7 limited to, a lease of surplus property with an option to purchase.

8 (d) This section shall remain in effect only until January 1,
9 2005, and as of that date is repealed, unless a later enacted statute
10 that is enacted before January 1, 2005, deletes or extends that date.
11 is amended to read:

12 ~~31496.3. Unless the context otherwise requires, the~~
13 ~~definitions contained in this section govern the construction of this~~
14 ~~article.~~

15 (a) ~~“Board” means the board of retirement.~~

16 (b) ~~“Employer” means the county or district or agency whose~~
17 ~~employees are members of the retirement system of the county.~~

18 (c) ~~“Federal system” means the Old Age and Survivors~~
19 ~~Insurance provisions of the Social Security Act.~~

20 (d) ~~“Final compensation” means the average annual~~
21 ~~compensation earnable by a general member during any three~~
22 ~~years, whether or not consecutive, elected by the member at or~~
23 ~~before the time an application for retirement is filed or, if no~~
24 ~~election is made, during the three years in which the member or~~
25 ~~former member last earned compensation preceeding retirement. If~~
26 ~~a member or former member has less than three years of service,~~
27 ~~final compensation shall be determined by dividing total~~
28 ~~compensation by the number of months of service credited to the~~
29 ~~member or former member and multiplying by 12. Final~~
30 ~~compensation does not include any disability benefits received by~~
31 ~~the member or former member under a disability plan provided by~~
32 ~~the employer.~~

33 (e) ~~“Member” or “general member” means an employee~~
34 ~~hired on a permanent basis, as defined by the employer, except an~~
35 ~~employee eligible for safety membership.~~

36 (f) ~~“Primary insurance amount” means the monthly retirement~~
37 ~~benefit payable under the federal system at the age of 65 years.~~

38 (g) ~~“Service” means the period of uninterrupted employment~~
39 ~~of a member and the time in which a member or former member~~
40 (1) is totally disabled, and (2) is receiving disability benefits or is

1 eligible to receive disability benefits either during or after any
2 elimination or qualifying period, under a disability plan provided
3 by the employer.

4 Except as otherwise herein provided, a member may not be
5 credited with service for any period of time in which the member
6 is absent from work without pay.

7 Unless otherwise provided, service does not include military
8 service or public service other than service with the employer.

9 SEC. 2. Section 31497.1 is added to the Government Code, to
10 read:

11 31497.1. A member who has elected or transferred to the plan
12 created by this article and whose employment is terminated for any
13 reason and who is later reemployed shall receive credit at
14 retirement for his or her service rendered prior to the first
15 termination of employment.

16 SEC. 3. Section 31625.2 of the Government Code is amended
17 to read:

18 31625.2. Notwithstanding any other provisions of this
19 chapter:

20 (a) Contributions may not be deducted from the salary of any
21 member having credit for 30 years' service if the member was a
22 member on March 7, 1973, and remained in membership
23 continuously until credited with 30 years' service.

24 (b) Contributions may not be deducted from the salary of any
25 member having credit for 30 years' of continuous service in the
26 retirement association of a county of the seventh class as
27 established by Sections 28020 and 28028 or a county of the 10th
28 class as established by Sections 28020 and 28031.